

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC 20554**

In the Matter of	)	
	)	
Lifeline and Link Up Reform and Modernization	)	WC Docket No. 11-42
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Lifeline and Link Up	)	WC Docket No. 03-109
	)	
Advancing Broadband Availability Through Digital Literacy Training	)	WC Docket No. 12-23
	)	

**COMMENTS OF THIRD PARTY VERIFICATION, INC.**

Third Party Verification, Inc. (“3PV”), by its attorneys and pursuant to the Commission’s March 6, 2012 *Public Notice* in these proceedings (DA 12-344, rel. March 6, 2012), hereby submits its Comments on the Commission’s *Further Notice of Proposed Rulemaking* in the above-captioned proceedings.<sup>1</sup> 3PV is a leader in performing verification and related database services for scores of telecommunications and information industry service providers. 3PV was the third party vendor chosen for the first phase of the Interim Duplicate Resolution Process (“IDRP”) mandated by the Commission and the Wireline Competition Bureau in these proceedings.<sup>2</sup> 3PV has been a trusted partner of many top wireline and wireless communications

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<sup>1</sup> *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42, *Lifeline and Link Up*, WC Docket No. 03-109, *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 12-23, *Report and Order and Further Notice of Proposed Rulemaking* (FCC 12-11, rel. Feb. 6, 2012) (the “*Further Notice*”).

<sup>2</sup> See *Report and Order*, FCC 11-97 (rel. June 21, 2011); Letter from Sharon E. Gillett, Chief, Wireline Competition Bureau, to D. Scott Barash, Acting CEO, USAC (DA 11-1082, June 21, 2011).

companies for more than a decade, providing them with state-of-the-art Third Party Verification (“TPV”) services. In addition to providing call center and interactive voice response (“IVR”) based verbal confirmations, 3PV has set itself apart by deploying new technology and deep database integration with many of its customers. During these integrations, 3PV has worked with each carrier to assist them in determining how TPV systems can be best implemented to address the goals at hand.

1. **The Eligibility Database Must Be National in Scope and Operation**

The *Further Notice* correctly concludes that “establishing a fully automated means for verifying consumers’ initial and ongoing Lifeline eligibility from governmental data sources would both improve the accuracy of eligibility determinations and ensure that only eligible consumers receive Lifeline benefits, and reduce burdens on consumers as well as ETCs,” and that in order to be efficacious, such a functionality must include, at a minimum, the three most common programs through which consumers qualify for Lifeline: Food Stamps, Medicaid, and Supplemental Security Income (“SSI”).<sup>3</sup> The *Further Notice* then asks “whether a state-specific or national eligibility database approach is more reliable, efficient, or imposes greater costs on the states and ETCs.”<sup>4</sup>

It is utterly clear that a national database is the only practical and effective option for achieving the Commission’s goals, especially in the near term. First, as the *Further Notice* recognizes, only a few states currently have any kind of usable database for determining consumer eligibility under these or other low income programs.<sup>5</sup> There is simply no legal or

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<sup>3</sup> *Further Notice* at ¶ 403.

<sup>4</sup> *Id.* at ¶ 404.

<sup>5</sup> *Id.* at ¶ 400.

practical way for the Commission to compel the vast majority of states that do *not* currently have such state-specific databases to create them, much less within the Commission's ambitious timeline of having a workable eligibility verification system in place by the end of 2013. As many states have informed the Commission in earlier stages of this proceeding, they typically lack the funding and/or the expertise to establish such databases, especially under the severe budgetary constraints that virtually all the states currently face.<sup>6</sup> Moreover, the Commission does not possess the statutory authority to expend Universal Service Fund support to assist states—even if the states were willing to accept and use such funding—in meeting the costs of establishing state databases. Section 254(e) of the Communications Act states unambiguously that “only an eligible telecommunications carrier designated under section 214(e) shall be eligible to receive specific Federal universal service support.”<sup>7</sup> Moreover, these ETCs may use that USF support “only for the provision, maintenance and upgrading of facilities and services.”<sup>8</sup> Accordingly, the Commission simply may not provide universal service support funding to states for the establishment of their own eligibility databases.

Nor may the Commission “condition receipt of federal Lifeline funds on state implementation of an eligibility database,”<sup>9</sup> because, unlike in the Medicaid example cited in the *Further Notice*, Congress has not authorized the Commission to make Lifeline support contingent on any such state action.<sup>10</sup> But more to the point, the Commission *should not* penalize Low Income subscribers in many states for the inability or reluctance of state

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<sup>6</sup> *Id.* at ¶ 405.

<sup>7</sup> 47 U.S.C. §254(e).

<sup>8</sup> *Id.*

<sup>9</sup> *Further Notice* at ¶ 406.

<sup>10</sup> *Id.* See 42 U.S.C. §1396.

governments to establish eligibility databases to the Commission's specifications. Indeed, even if the Commission could lawfully mandate separate state databases, it is all but certain as a practical matter that ETCs, low income consumers, and the Lifeline program itself would be plagued by the administrative nightmare of a crazy-quilt system of disparate state systems, activated at different times and with different levels of functionality, and with no effective means for the Commission to supervise them or correct deficiencies in any of them.

Finally, and importantly, it is the Commission and, by delegation, its USF administrator USAC, that bear responsibility for the implementation, oversight and effective functioning of the Universal Service Fund, including the Low income Program. It would be inappropriate, as well as inefficacious and illegal, for the Commission to "farm out" the critical function of determining Lifeline program eligibility to no fewer than 50 separate agencies. An eligibility database can only work if it is national in nature and subject to the supervision and authority of the Commission.

## **2. The National Eligibility Database Should Leverage Existing Federal and State Databases, and Integrate Key Administrative Functions**

To the maximum extent practicable, this National Eligibility Database should incorporate and integrate existing and future state databases that include the relevant low income program eligibility information. In addition, however, as the *Further Notice* observes, "there are several national databases at various stages of development which contain beneficiary information for certain federal programs and enable authorized parties to check federal program eligibility. Some of these databases are for programs that qualify consumers for Lifeline."<sup>11</sup> One such database, the Public Assistance Reporting Information System ("PARIS"), operated by the Department of

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<sup>11</sup> *Further Notice* at ¶ 410.

Health and Human Services' (HHS) Administration for Children and Families ("ACF"), enables matches of social security numbers for at least three Lifeline-qualifying public assistance programs: Medicaid, Food Stamps and Temporary Assistance For Needy Families ("TANF").<sup>12</sup> The *Further Notice* describes several other federal initiatives to facilitate eligibility determinations and deter waste, fraud and abuse in the administration of various government programs.<sup>13</sup> Although the Commission is in a far better position than private industry commenters to discern opportunities and forge partnerships with other federal agencies to share access to these databases,<sup>14</sup> clearly it behooves the Commission to explore such access and information sharing with its sister agencies. Working with industry, the Commission should promptly explore the best candidates for integration with the National Eligibility Database and the optimal methodologies for leveraging and incorporating these databases as well as existing and planned state databases.<sup>15</sup>

The Commission should also consider the benefits of combining the roles of Database provider and administrator. The Database provider is a natural choice to process the eligibility data provided to ETCs, which could be relieved of the burden. This structure would also eliminate the potential for unequal treatment of eligibility documents by the dozens of ETCs participating in the program. Complementary administrative functions, such as requesting

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<sup>12</sup> See *id.* at ¶ 402; 47 C.F.R. §54.409(b). See also Admin. for Children and Families, U.S. Dept. of Health and Human Services, Public Assistance Reporting Information System (PARIS), <http://www.acf.hhs.gov/programs/paris/about/index.html>.

<sup>13</sup> *Id.* at ¶ 402.

<sup>14</sup> See *id.* at ¶ 410.

<sup>15</sup> The February 6, 2012 *Report and Order* states that "the [Wireline] Bureau will host a series of workshops with non-governmental entities, including ETCs, technical experts and database vendors, to accelerate the establishment of a wide-spread, automated means for initial and ongoing verification of subscriber eligibility." *Report and Order*, FCC 12-11 (rel. Feb. 6, 2012) at ¶ 224. These workshops would provide an appropriate and valuable venue for exploring such integration and coordination issues.

independent recertification upon the anniversary or expiration of eligibility documents, should be closely integrated with operating the Database, another reason the Database operator would be a natural choice for administrator.

**3. A National Eligibility Database Must Safeguard Customer Privacy and Deter Misuse of Customer Information**

The *Further Notice* seeks comment on federal and state privacy requirements that may be implicated in the establishment of a National Eligibility Database, and asks whether it should mandate that ETCs seek affirmative customer consent to allow the use and transmission of necessary information at the time of a consumer's application for Lifeline-supported service.<sup>16</sup> Based on 3PV's experience with Privacy Act rules, as well as the Commission's CPNI and PII rules,<sup>17</sup> 3PV believes that a rule requiring ETCs to seek and obtain such customer consent at the time of application should satisfy all applicable state and federal laws.

Further, a National Eligibility Database should include adequate safeguards to otherwise insure and protect the privacy of consumer information, and to prevent ETCs and others from misusing private customer information for marketing, retention and other purposes that are unrelated to verifying Lifeline eligibility, to the same extent as the Commission has provided with respect to the new National Lifeline Accountability Database.<sup>18</sup>

Allowing unrestricted access to the Database could create the potential for dubious and unauthorized queries by entities attempting to turn the Database into a marketing tool. Because the definition of a household, as set in the Order, is an economic unit located at a single address,

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<sup>16</sup> *Id.* at ¶ 407.

<sup>17</sup> *See, e.g.*, 47 U.S.C. §§222, 551; 47 C.F.R. §§ 64.2001 *et seq*

<sup>18</sup> *See Report and Order and Further Notice of Proposed Rulemaking* (FCC 12-11, rel. Feb. 6, 2012) at ¶¶ 207, 219-220.

an individual applicant's personal information is not sufficient to determine whether duplicate service is being provided to a given address. The address itself must be provided to the requesting carrier in order to determine if Lifeline service is to be provided. If the addresses of current customers were gathered systematically, they could be used to create a virtual map of an area that shows which addresses do not receive Lifeline services, thereby creating an overlay of potential customers. Such use of Database information would violate the Commission's stated desire that the Database not be used for any other purpose than to determine eligibility and prevent duplicative service. The Commission could eliminate this potential for abuse by granting authority to the Database administrator to monitor the ratio of address queries to new Lifeline subscribers, which would reveal if an ETC submitting large numbers of queries to the Database was using this information legitimately. Mandating even a low conversion percentage for non-duplicate returns from the Database would allow for notification to the Commission and USAC that unauthorized use of the Database may be occurring

#### **4. Allowing for Disparate Technical Capabilities and Abilities of Each ETC**

The Commission should take account of the fact that the technical capabilities and abilities of each ETC differ greatly. Even large national ETCs may struggle with the requirement of integration with a national Database for reasons such as legacy systems that do not adapt well to changes in process or workflow, or a shortage in skillsets or budgeted funds required to make necessary changes quickly. Because this is the case, 3PV recognizes that each ETC will need to be consulted to determine its own system's capability and that a multi-part integration and communication plan should be developed. The deployment plan should allow for multiple types of integration from the simple batch file upload to the more complex and tightly integrated technologies such as XML, Web Services Architecture, Simple Object Access

Protocol (SOAP), etc. In addition, 3PV suggests that a working group be established between ETC technical experts and the appropriate Commission and USAC personnel to lay the groundwork for a successful implementation of the duplicate and eligibility database.

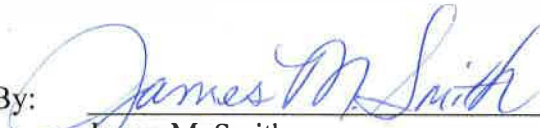
### **CONCLUSION**

For the foregoing reasons, 3PV respectfully requests that the Commission establish an Eligibility Database that is nationwide in scope, that leverages existing federal and state databases and the complementary roles of operator and administrator, and that takes into account the technical and privacy concerns described above.

Respectfully submitted,

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